

## DEPARTMENT OF FINANCE BILL ANALYSIS

**AMENDMENT DATE:** April 7, 2010  
**POSITION:** Oppose

**BILL NUMBER:** SB 1052  
**AUTHOR:** J. Oropeza

### **BILL SUMMARY:** Electronic Waste: State Agencies

This bill would establish new requirements for the Department of General Services (DGS), Department of Resources Recycling and Recovery (DRRR), the Department of Toxic Substance Control (DTSC), and all state agencies producing electronic waste (e-waste) related to the proper handling, reporting, and monitoring of e-waste produced by state agencies.

### **FISCAL SUMMARY**

The DGS and the DRRR indicate costs to implement this bill would total \$352,000 in 2010-11 and \$562,000 ongoing and would require 2.0 new positions and 3.0 new positions respectively. Additionally, the impact to departments statewide to implement this bill could be as much as \$4.8 million.

### **COMMENTS**

The Department of Finance is opposed to this bill for the following reasons:

- As a result of issues identified by the State Auditor in November 2008, the DGS, DRRR, and DTSC have already taken measures to ensure that state agency e-waste is properly disposed; therefore this bill is likely addressing a problem that is already resolved.
- The DRRR would need to raise the Integrated Waste Management tipping fee to fund the additional costs of implementing this bill.
- This bill creates a state-mandated local program.

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Analyst/Principal (0242)	Date	Assistant Program Budget Manager	Date
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Department Deputy Director	Date
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Governor's Office:	By:	Date:	Position Approved _____
			Position Disapproved _____

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BILL ANALYSIS	Form DF-43 (Rev 03/95 Buff)
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**ANALYSIS****A. Programmatic Analysis**

Existing law prohibits the disposal of specified e-wastes in solid waste landfills and established the Electronic Waste Recycling Act to collect and recycle e-waste. Existing law also requires each state agency to develop and adopt an integrated waste management plan to demonstrate their methods to reduce disposal of solid waste by 50 percent and annually report on their progress.

This bill would require the following:

- The DGS, in partnership with the DRRR and the DTSC, to identify and post to its website proper handling methods for the disposal of e-waste produced by state agencies.
- The DGS, in partnership with the DRRR and the DTSC, to assist state agencies to comply with federal, state, and local hazardous waste laws and regulations.
- All state agencies to include additional information related to the management of e-waste in their currently mandated annual report to DRRR and the DRRR to post these reports on their website.
- The DGS to annually review information submitted by departments to the DRRR.
- The DGS to notify the DTSC if it believes a state agency is not following e-waste requirements or is out of compliance with hazardous waste laws or regulations.

**B. Fiscal Analysis**

The DGS indicates the implementation of this bill will require 2.0 new positions and \$223,000 in 2010-11 and \$315,000 ongoing to identify proper handling methods for e-waste, develop and adopt policies, assist state agencies with compliance, provide training and outreach, monitor reports, and provide enforcement. Furthermore, since the DGS is a fee for service entity, a method to recover these costs would need to be developed.

Additionally, the DGS estimates that each state agency affected by the provisions of this bill may require 0.3 new positions and \$30,000 to complete the additional reporting requirements related to e-waste. To the extent agencies could not absorb this additional workload and expense, additional resources needed by approximately 160 agencies, departments, boards, and commission to implement this bill could be up to \$4.8 million annually and 48.0 new positions.

The DRRR indicates the implementation of this bill will require \$129,000 in 2010-11 and \$247,000 ongoing to support 3.0 positions to modify and manage the state agency reporting database, analyze the e-waste data collected, implement appropriate courses of action for noncompliant agencies, coordinate with the DGS and the DTSC, and make data available on the DRRR website. The DRRR provides that the Integrated Waste Management Account cannot absorb the additional costs associated with this bill; therefore, the Integrated Waste Management tipping fee would need to be increased to fund the provisions of this bill.

The DTSC indicates this bill would not have any fiscal impact to their department as the activities pertaining to DTSC are already occurring or completed.

Any request from the aforementioned departments for additional expenditure authority is subject to review and approval through the annual budget process.

The California Constitution requires the state to reimburse local entities for increased costs associated with any new program or higher level of service imposed by the state on local entities if the Commission on State Mandates determines that the new program or higher level of service is reimbursable and a state mandate.

(Continued)

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### ANALYSIS (continued)

It should be noted that existing law defines a state agency, for purposes of waste management, as including community college districts. In the event it is determined by the Commission on State Mandates that this measure creates a reimbursable state mandate, every California Community College campus would be reimbursed for costs associated with the provisions of this bill. Community College mandate costs are reimbursed with Proposition 98 General Fund.

Code/Department Agency or Revenue Type	SO	(Fiscal Impact by Fiscal Year)							Fund Code
	LA	(Dollars in Thousands)							
	CO RV	PROP 98	FC	2009-2010 FC	2010-2011 FC	2011-2012 FC			
1760/Dept Gen Svc	SO	No	C	\$223	C	\$315	C	\$315	0666
3500/ResRcyclRcvr	SO	No	C	\$129	C	\$247	C	\$247	0387
9901/Var Depts	SO	No	-----	See Fiscal Summary			-----		0001
9901/Var Depts	SO	No	-----	See Fiscal Summary			-----		0494
9901/Var Depts	SO	No	-----	See Fiscal Summary			-----		0988
<u>Fund Code</u>	<u>Title</u>								
0001	General Fund								
0387	Integrated Waste Management Account								
0494	Other - Unallocated Special Funds								
0666	Service Revolving Fund								
0988	Other - Unallocated NGC Funds								